



COR - 0014
Copy 1 of 4

8 September 1958

Amendment No. 2 to
Contract No. AF33(600)-37230

Missile Systems Division
Lockheed Aircraft Corporation
Sunnyvale, California

Gentlemen:

This document constitutes Amendment No. 2 to Contract AF33(600)-37230 between the Lockheed Aircraft Corporation, Missile Systems Division, Sunnyvale, California and the United States Government and said contract as amended, is further amended as hereinafter set forth.

The Schedule of the Contract is amended by adding the following new Part XIV.

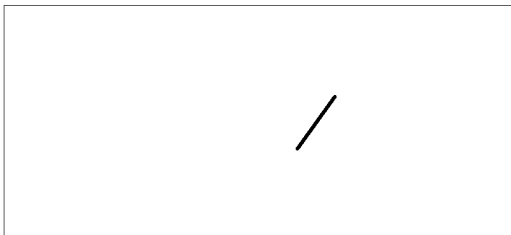
"PART XIV - MATERIALS, SPECIAL TOOLING AND FACILITIES

For the purposes of this contract and for reasons of security which are not compatible with the Contractor's normal system of acquiring property, accounting for it and subsequent disposition, it is hereby agreed that all property other than that furnished directly by the Government, which the Contractor acquires under and charges to the cost of performance of this Contract shall be subject to the provisions of Paragraph (a) of AFPI-13-504 and Clause 39 of the General Provisions hereof."

The General Provisions of the Contract are amended by adding the following new Clause.

"39. Special Tooling

(a) The term "special tooling" as used in this clause, includes all jigs, dies, fixtures, molds, patterns, special taps, special gauges, special test equipment, and other special articles of equipment and manufacturing aids acquired or manufactures by the Contractor for use in the performance of this contract, and replacements thereof, which are of such a specialized nature that, without substantial modification or alteration, their use is limited to the production of such supplies or parts hereof, or the performance of



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such services, called for by this contract, as are peculiar to the needs of the Government. The term does not include: (i) items of tooling or equipment heretofore acquired by the Contractor, or replacements thereof, whether or not altered or adapted for use in the performance of this contract; (ii) items of tooling or equipment which are usable for the production of supplies or parts thereof, or for the performance of services, which are not peculiar to the needs of the Government, or (iii) general or special machine tools or similar capital items.

(b) The Contractor agrees not to use any item of special tooling except in the performance of this contract, or except as otherwise provided by this clause, without prior written approval of the Contracting Officer. The Contractor may, with the approval of the Contracting Officer, use the special tooling in the performance of other contracts with the Government, or subcontracts under Government contracts, provided that the Contractor agrees not to include in the price or prices for any such contracts or subcontracts, involving the use of such special tooling, the cost of such tooling or any allowance or charge to cover depreciation or amortization which has previously been charged against this contract.

(c) As and when any substantial portion of usable special tooling is no longer needed by the Contractor for the performance of this contract, and of other Government contracts and subcontracts as to which approval has been obtained under paragraph (b) above, the Contractor shall promptly notify the Contracting Officer thereof, and shall furnish to the Contracting Officer a list of the products, parts or services for the manufacture or performance of which such special tooling was used or designed. Upon completion or termination of all work under this contract, or of this contract and other Government contracts and subcontracts as to which approval has been obtained under paragraph (b) above, the Contractor shall furnish a final list in the same form covering all items not previously reported under this paragraph. Special tooling which has become obsolete as a result of changes in design or specification need not be reported, except as provided for in paragraph (d).

(d) In the event of any changes in design or specifications which affect interchangeability of parts, the Contractor shall, unless otherwise agreed to by the Contracting Officer, give the Contracting Officer notice of any part which is not interchangeable with the new or superseding part and the usable special tooling for each part covered in such notice shall be retained by the Contractor subject to the provisions of paragraph (i), pending disposition under paragraph (f).

(e) At the time it furnished any list or notice under (c) or (d) above, the Contractor may designate those items of special tooling (either specifically

or by listing the particular products, parts, or services for which such items were used or designed) which it desires to retain, together with a written offer; (i) to retain any or all of such items, free and clear of any Government interest, for an amount designated therein, which should ordinarily not be less than the then fair value of such items (which fair value takes into account, among other things, the value of such items to the Contractor for use in further work by it); or (ii) to retain any or all such items for such period of time and subject to such terms and conditions as may be agreed to by the parties hereto, subject to ultimate retention or disposition for such items in accordance with paragraph (f) hereof.

(f) Within 90 days after receipt of any list or notice under paragraph (c) or (d) hereof, or such further period as may be agreed upon by the parties, the Contracting Officer shall furnish to the Contractor: (i) a list specifying the particular products, parts, or services for which the Government may require special tooling, together with a request that the Contractor transfer title (to the extent not previously transferred under any other clause of this contract) and deliver to the Government all usable items of special tooling which were used or designed for the manufacture or performance of any designated portion of such products, parts, or services, and which were on hand when production of such products or parts, or performance of such services, ceased; or (ii) an acceptance or rejection of any offer made by the Contractor under paragraph (e) above, or a request for further negotiation with respect thereto; or (iii) subject to the provisions of paragraph (j) hereof, a direction to the Contractor to sell, or to dispose of as scrap, for the account of the Government, any or all of the special tooling covered by such list; or (iv) a statement with respect to any or all of the special tooling covered by such list that the Government has no further interest therein and waives its rights therein; or (v) any combination of the foregoing, as the circumstances warrant. The Contractor shall promptly comply with any request by the Contracting Officer under this paragraph to transfer title to any items of special tooling, and shall, subject to the provisions of paragraph (j) hereof, (1) immediately prepare such items for shipment by proper packaging, packing and marking, in accordance with any instructions which may be issued by the Contracting Officer and shall promptly deliver such items to the Government, as directed by the Contracting Officer, or (2) if a storage agreement has been entered into, prepare such items for storage in accordance therewith, as directed by the Contracting Officer. Any items of special tooling so delivered or stored shall be accompanied by such operation sheets or other appropriate data as are necessary to show the manufacturing operations or processes for which such items were used or designed. If the Contracting Officer has requested further negotiations under (ii) of this paragraph, the Contractor agrees that it will enter into such negotiations in good faith with the Contracting Officer. Any items of special tooling which are not disposed of by transfer of title and delivery to the Government or by acceptance of an offer of the Contractor made under paragraph (e), or of such offer as modified in the course of negotiations, shall be disposed of in the manner set forth in (iii) or (iv) of this paragraph.

(g) If the Contracting Officer accepts an offer of the Contractor to retain any items of special tooling, or if any such items are sold to third parties or disposed of as scrap, the net proceeds shall: (i) be deducted from the amounts due to the Contractor under this contract and the contract amended accordingly; or (ii) be otherwise paid as the Contracting Officer may direct.

(h) The Contractor agrees that it will follow its normal industrial practice in maintaining property control records on all the special tooling, and that it will make such records available for inspection by the Government at all reasonable times. The Contractor further agrees that, to the extent practicable, it will identify by appropriate stamp, tag or other mark all special tooling subject to this clause.

(i) The Contractor agrees that between the date any usable items of special tooling are no longer needed by it, within the meaning of this clause, and the date of final disposition of such items under this clause, it will take all reasonable steps necessary to maintain the identity and existing condition of such items, unless the Contracting Officer has directed that such items be disposed of as scrap or has given notice under (f) (iii). The Contractor shall not be required to keep any such items in place.

(j) Any preparation of items for shipment required of the Contractor under paragraph (f) of this clause, or any disposal as scrap under paragraph (f) (iii), or any action required of the Contractor under paragraph (i), shall be taken pursuant to written instructions of the Contracting Officer, which shall (i) provide for an equitable adjustment of the contract price to cover any additional cost, to the Contractor, not taken into account in the negotiation of this contract, of complying with such instructions, which adjustment shall be made in accordance with the procedure set forth in the clause of this contract entitled "Changes", or (ii) otherwise provide for payment to the Contractor of any such additional cost. Any failure of the Contracting Officer to issue the Contractor specific disposition instructions shall be construed as an instruction to the Contractor to take the action required under paragraph (i) with provision for equitable adjustment or payment as provided for above.

(k) The Contractor agrees that, in placing any subcontracts or purchase orders under this contract which involve the use of special tooling, the full cost of which is charged to such subcontract or purchase order, it will be to the extent consistent with its normal business practice include appropriate provisions to obtain rights comparable to those granted to the Government by this clause, and agrees that it will exercise such rights for the benefit of the Government, as the Contracting Officer may direct.

(1) Title to all special tooling shall pass to and vest in the Government upon acquisition thereof by the Contractor; PROVIDED, HOWEVER, That the Contractor's obligations, the Government's rights, and property control procedures relating thereto shall apply as set forth in this clause. The provisions of this contract relating to "Liability for Government-Furnished Property," and any other provisions of this contract defining liability for Government property shall be inapplicable to property to which the Government shall have acquired title solely by virtue of the provisions of this paragraph. The provisions of this paragraph shall not relieve the Contractor from any risk of loss, or destruction, or damage to property, title to which vests in the Government under the provisions hereof, or be construed as enlarging upon the Contractor's obligations as specified in this clause.

All other terms, conditions and requirements of Contract No. AF33(600)-37230 remain unchanged.

Please indicate your acceptance of the foregoing by signing this Amendment No. 2 and the enclosed two copies thereof and returning the original and one executed copy to the Contracting Officer. The remaining copy is to be retained for your files.

THE UNITED STATES OF AMERICA

BY

Contracting Officer

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ACCEPTED 20 October, 1958

Contractor _____ (Affix Corporate Seal)

BY

TITLE Cost General Things

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